



## Kodak Reports First-Quarter 2022 Financial Results

May 10, 2022

ROCHESTER, N.Y.--(BUSINESS WIRE)--May 10, 2022-- Eastman Kodak Company (NYSE: KODK) today reported financial results for the first quarter 2022, including consolidated revenues of \$290 million and continued growth in key product areas such as KODAK SONORA Process Free Plates and KODAK PROSPER System annuities.

First-quarter 2022 highlights include:

- Consolidated revenues of \$290 million, compared with \$265 million for Q1 2021
- GAAP net loss of \$3 million, compared with net income of \$6 million for Q1 2021
- Operational EBITDA of negative \$7 million, compared with \$3 million for Q1 2021
- A quarter-end cash balance of \$309 million, compared with \$362 million at the end of 2021

“Kodak continued to manage through an extremely challenging business environment to deliver revenue growth for the first quarter of 2022,” said Jim Continenza, Kodak’s Executive Chairman and CEO. “We are also focused on long-term growth, making significant investments in print technology and the four Advanced Materials and Chemicals initiatives we announced earlier this year. Finding new ways to leverage our core strengths and delivering for our customers will be our focus as we execute our strategic plan.”

For the quarter ended March 31, 2022, revenues were \$290 million, an improvement of \$25 million compared to the same period in 2021. The Company had a GAAP net loss of \$3 million for the quarter, compared to net income of \$6 million in the prior-year quarter. Operational EBITDA for the first quarter was negative \$7 million, compared to \$3 million in Q1 2021. Operational EBITDA was favorably impacted by the growth in revenue due to improved pricing and volume, offset by higher ongoing global cost increases. Kodak ended the first quarter with a cash balance of \$309 million, a decrease of \$53 million from December 31, 2021. The decrease is primarily attributable to the impact of higher costs, changes in working capital and increased capital investment.

“Our quarter-end cash balance was generally in line with our expectations,” said David Bullwinkle, Kodak’s CFO. “We have successfully navigated supply chain issues by carrying higher-than-historical levels of inventory to maintain supply for our customers. We plan to continue executing our long-term strategy despite the ongoing supply chain challenges and rising costs.”

### Revenue and Operational EBITDA by Reportable Segment Q1 2022 vs. Q1 2021

(\$ millions)

Q1 2022 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand Total
Revenue	\$ 172	\$ 56	\$ 54	\$ 4\$286
Operational EBITDA *	\$ (2)	\$ (5)	\$ (3)	\$ 3\$ (7)

  

Q1 2021 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand Total
Revenue	\$ 148	\$ 64	\$ 46	\$ 3\$261
Operational EBITDA *	\$ 5	\$ -	\$ (4)	\$ 2\$ 3

  

Q1 2022 vs. Q1 2021 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand Total
Revenue	\$ 24	\$ (8)	\$ 8	\$ 1\$ 25
Operational EBITDA *	\$ (7)	\$ (5)	\$ 1	\$ 1\$ (10)

  

Q1 2022 Actuals on constant currency ** vs. Q1 2021 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand Total
Revenue	\$ 32	\$ (6)	\$ 8	\$ 1\$ 35
Operational EBITDA *	\$ (7)	\$ (4)	\$ 1	\$ 1\$ (9)

\* Total Operational EBITDA is a non-GAAP financial measure. The reconciliation between GAAP and non-GAAP measures is provided in Appendix A

of this press release.

\*\* The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the three months ended March 31, 2021, rather than the actual average exchange rates in effect for the three months ended March 31, 2022.

Eastman Business Park segment is not a reportable segment and is excluded from the table above.

## About Kodak

Kodak (NYSE: KODK) is a leading global manufacturer focused on commercial print and advanced materials & chemicals. With 31,000 patents earned over 130 years of R&D, we believe in the power of technology and science to enhance what the world sees and creates. Our innovative, award-winning products, combined with our customer-first approach, make us the partner of choice for commercial printers worldwide. Kodak is committed to environmental stewardship, including industry leadership in developing sustainable solutions for print. For additional information on Kodak, visit us at [kodak.com](http://kodak.com), or follow us on Twitter [@Kodak](https://twitter.com/Kodak) and [LinkedIn](https://www.linkedin.com/company/kodak).

## Cautionary Statement Regarding Forward-Looking Statements

This press release includes “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include statements concerning Kodak’s plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, investments, financing needs and business trends and other information that is not historical information. When used in this press release, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “predicts,” “forecasts,” “strategy,” “continues,” “goals,” “targets” or future or conditional verbs, such as “will,” “should,” “could,” or “may,” and similar words and expressions, as well as statements that do not relate strictly to historical or current facts, are intended to identify forward-looking statements. All forward-looking statements, including management’s examination of historical operating trends and data, are based upon Kodak’s current expectations and assumptions. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or those expressed in or implied by such forward-looking statements.

Important factors that could cause actual events or results to differ materially from the forward-looking statements include, among others, the risks and uncertainties described in more detail in Kodak’s Annual Report on Form 10-K for the year ended December 31, 2021 under the headings “Business,” “Risk Factors,” “Legal Proceedings,” and/or “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources,” in the corresponding sections of Kodak’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, and in other filings Kodak makes with the U.S. Securities and Exchange Commission from time to time, as well as the following: Kodak’s ability to improve and sustain its operating structure, cash flow, profitability and other financial results; Kodak’s ability to achieve strategic objectives, cash forecasts, financial projections, and projected growth; Kodak’s ability to achieve the financial and operational results contained in its business plans; Kodak’s ability to comply with the covenants in its various credit facilities; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its debt and Series B Preferred Stock and Series C Preferred Stock; the performance by third parties of their obligations to supply products, components or services to Kodak and Kodak’s ability to address supply chain disruptions and continue to obtain raw materials and components available from single or limited sources of supply, which may be adversely affected by the COVID-19 pandemic; the impact of the global economic environment or medical epidemics such as the COVID-19 pandemic, including the restrictions and other actions taken in response to the COVID-19 pandemic, and Kodak’s ability to effectively mitigate or recoup associated increased costs of materials, labor, shipping and operations; the impacts of the war in Ukraine and the international response thereto on Kodak’s business and operations, including the cost of and availability of aluminum and other raw materials and components, shipping costs, transit times and energy costs; changes in foreign currency exchange rates, commodity prices, interest rates and tariff rates; the impact of the investigations, litigation and claims arising out of the circumstances surrounding the announcement on July 28, 2020, by the U.S. International Development Finance Corporation of the signing of a non-binding letter of interest to provide a subsidiary of Kodak with a potential loan to support the launch of an initiative for the manufacture of pharmaceutical ingredients for essential generic drugs; Kodak’s ability to effectively anticipate technology and industry trends and develop and market new products, solutions and technologies, including products based on its technology and expertise that relate to industries in which it does not currently conduct material business; Kodak’s ability to effectively compete with large, well-financed industry participants; continued sufficient availability of borrowings and letters of credit under Kodak’s asset based credit facility and letter of credit facility, Kodak’s ability to obtain additional financing if and as needed and Kodak’s ability to provide or facilitate financing for its customers; Kodak’s ability to effect strategic transactions, such as acquisitions, strategic alliances, divestitures and similar transactions, or to achieve the benefits sought to be achieved from such strategic transactions; and the potential impact of force majeure events, cyber-attacks or other data security incidents that could disrupt or otherwise harm Kodak’s operations.

Future events and other factors may cause Kodak’s actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to Kodak or persons acting on its behalf apply only as of the date of this press release and are expressly qualified in their entirety by the cautionary statements included or referenced in this press release. Kodak undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, except as required by law.

## APPENDICES

### A. NON-GAAP MEASURES

In this first quarter 2022 financial results news release, reference is made to the following non-GAAP financial measures:

- Operational EBITDA; and
- Revenues and Operational EBITDA on a constant currency basis.

Kodak believes that these non-GAAP measures represent important internal measures of performance. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of Kodak, its financial condition, results of operations and cash flow.

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). Operational EBITDA represents the income from continuing operations excluding the provision for income taxes; non-service cost components of pension and OPEB income; depreciation and amortization expense; restructuring costs and other; stock-based compensation expense; consulting and other costs; idle costs; other operating income, net; interest expense; and other charges, net.

The change in revenues and Operational EBITDA on a constant currency basis, as presented in this financial results news release, is calculated by using average foreign exchange rates for the three months ended March 31, 2021, rather than the actual average exchange rates in effect for the three months ended March 31, 2022.

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Income to Operational EBITDA and Operational EBITDA on a constant currency basis for the three months ended March 31, 2022 and 2021, respectively:

(in millions)

	<b>Q1 2022 Q1 2021 \$ Change</b>		
	<b>\$ (3)</b>	<b>\$ 6</b>	<b>\$ (9)</b>
<b>Net (Loss) Income</b>			
Depreciation and amortization	7	8	(1)
Restructuring costs and other <sup>(1)</sup>	-	1	(1)
Stock based compensation	2	3	(1)
Consulting and other costs <sup>(2)</sup>	2	5	(3)
Idle costs <sup>(3)</sup>	1	1	-
Other operating income, net	-	(1)	1
Interest expense <sup>(1)</sup>	9	4	5
Pension income excluding service cost component <sup>(1)</sup>	(30)	(25)	(5)
Other charges, net <sup>(1)</sup>	3	-	3
Provision for income taxes <sup>(1)</sup>	2	1	1
<b>Operational EBITDA</b>	<b>\$ (7)</b>	<b>\$ 3</b>	<b>\$ (10)</b>
Impact of foreign exchange <sup>(4)</sup>	1		1
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ (6)</b>	<b>\$ 3</b>	<b>\$ (9)</b>

Footnote Explanations:

- (1) As reported in the Consolidated Statement of Operations.
- (2) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives, investigations and litigation.
- (3) Consists of third-party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (4) The impact of foreign exchange is calculated by using average foreign exchange rates for the three months ended March 31, 2021, rather than the actual average exchange rates in effect for the three months ended March 31, 2022.

## B. FINANCIAL STATEMENTS

### EASTMAN KODAK COMPANY CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited) (in millions)

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenues		
Sales	\$ 234	\$ 209
Services	56	56
Total revenues	290	265
Cost of revenues		
Sales	220	185
Services	37	40
Total cost of revenues	257	225
Gross profit	33	40
Selling, general and administrative expenses	43	46
Research and development costs	9	8
Restructuring costs and other	—	1
Other operating income, net	—	(1)
Loss from continuing operations before interest expense, pension income excluding service cost component, other charges, net and income taxes	(19)	(14)

Interest expense	9	4
Pension income excluding service cost component	(30)	(25)
Other charges, net	3	—
(Loss) earnings from continuing operations before income taxes	(1)	7
Provision for income taxes	2	1
Net (loss) income	<u>\$ (3)</u>	<u>\$ 6</u>

The notes accompanying the financial statements contained in the Company's first quarter 2022 Form 10-Q are an integral part of these consolidated financial statements.

**EASTMAN KODAK COMPANY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)**  
(in millions)

	<b>March 31, 2022</b>	<b>December 31, 2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 309	\$ 362
Trade receivables, net of allowances of \$7 and \$7, respectively	182	175
Inventories, net	247	219
Other current assets	50	49
Current assets held for sale	2	2
Total current assets	<u>790</u>	<u>807</u>
Property, plant and equipment, net of accumulated depreciation of \$446 and \$441, respectively	147	140
Goodwill	12	12
Intangible assets, net	32	34
Operating lease right-of-use assets	45	47
Restricted cash	58	54
Pension and other postretirement assets	1,049	1,022
Other long-term assets	54	55
<b>TOTAL ASSETS</b>	<b><u>\$ 2,187</u></b>	<b><u>\$ 2,171</u></b>
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY</b>		
Accounts payable, trade	\$ 182	\$ 153
Short-term borrowings and current portion of long-term debt	1	1
Current portion of operating leases	12	13
Other current liabilities	139	142
Total current liabilities	<u>334</u>	<u>309</u>
Long-term debt, net of current portion	256	253
Pension and other postretirement liabilities	375	382
Operating leases, net of current portion	42	45
Other long-term liabilities	200	205
Total liabilities	<u>1,207</u>	<u>1,194</u>
Commitments and Contingencies (Note 6)		
Redeemable, convertible preferred stock, no par value, \$100 per share liquidation preference	198	196
<b>Equity</b>		
Common stock, \$0.01 par value	—	—
Additional paid in capital	1,165	1,166
Treasury stock, at cost	(10)	(10)
Accumulated deficit	(599)	(596)
Accumulated other comprehensive income	226	221
Total shareholders' equity	<u>782</u>	<u>781</u>
<b>TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY</b>	<b><u>\$ 2,187</u></b>	<b><u>\$ 2,171</u></b>

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**EASTMAN KODAK COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**

(in millions)

	Three Months Ended	
	March 31,	
	2022	2021
Cash flows from operating activities:		
Net (loss) income	\$ (3)	\$ 6
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	7	8
Pension income	(26)	(21)
Change in fair value of Preferred Stock and Convertible Notes embedded derivatives	3	1
Non-cash changes in workers' compensation reserves	(4)	-
Stock based compensation	2	3
(Increase) decrease in trade receivables	(9)	8
Increase in inventories	(32)	(22)
Increase in trade payables	31	24
Decrease in liabilities excluding borrowings and trade payables	(13)	(22)
Other items, net	1	(1)
Total adjustments	(40)	(22)
Net cash used in operating activities	(43)	(16)
Cash flows from investing activities:		
Additions to properties	(5)	(1)
Net cash used in investing activities	(5)	(1)
Cash flows from financing activities:		
Net proceeds from Term Loan Credit Agreement	-	215
Net proceeds from Convertible Notes	-	25
Net proceeds from Series C Preferred Stock	-	99
Proceeds from sale of common stock	-	10
Repurchase of Series A Preferred Stock	-	(100)
Debt issuance costs	-	(2)
Preferred stock cash dividend payments	(1)	(4)
Treasury stock purchases	-	(1)
Net cash (used in) provided by financing activities	(1)	242
Effect of exchange rate changes on cash, cash equivalents and restricted cash	-	(4)
Net (decrease) increase in cash, cash equivalents and restricted cash	(49)	221
Cash, cash equivalents and restricted cash, beginning of period	423	256
Cash, cash equivalents and restricted cash, end of period	\$ 374	\$ 477

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